

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

IN SOOK STERLING,

Debtor.

Chapter 7

Case No. 19-10132-SCC

STRATEGIC FUNDING SOURCE, INC.,

Plaintiff,

v.

IN SOOK STERLING; MTK 38, INC.; and
JAY ENTERTAINMENT CORP.,

Defendants.

Adversary Pro. No. 19-01111-SCC

**ANSWER OF DEFENDANT, JAY
ENTERTAINMENT CORP. TO
PLAINTIFF'S COMPLAINT**

Defendant, Jay Entertainment Corp. ("Jay Entertainment"), by way of Answer to the Complaint of Plaintiff, Strategic Funding Source, Inc. ("Plaintiff"), filed herein says:

I. JURISDICTION AND VENUE

1. Jay Entertainment admits only that the court has issued a ruling that the within matter is properly within the jurisdiction of this Court.

2. Jay Entertainment admits only that the court has issued a ruling that the within matter is properly within the jurisdiction of this Court.

3. Jay Entertainment admits only that the court has issued a ruling that the within matter is properly within the jurisdiction of this Court.

4. Jay Entertainment admits only that the court has issued a ruling that the within matter is properly within the jurisdiction of this Court.

5. Jay Entertainment admits only that the court has issued a ruling that the within matter is properly within the jurisdiction of this Court.

6. Jay Entertainment admits only that the court has issued a ruling that the within matter is properly within the jurisdiction of this Court.

II. THE PARTIES

7. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 7 of the Complaint and leaves Plaintiff to its proof.

8. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 8 of the Complaint and leaves Plaintiff to its proof.

9. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 9 of the Complaint and leaves Plaintiff to its proof.

10. Jay Entertainment admits only that it is a New York corporation with a place of business at 9 East 38th Street, New York New York in response to the allegations set forth in paragraph 10.

11. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 11 of the Complaint and leaves Plaintiff to its proof.

12. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 12 of the Complaint and leaves Plaintiff to its proof.

III. GENERAL ALLEGATIONS

13. Jay Entertainment admits the allegations contained in paragraph 13 of the Complaint.

14. Jay Entertainment admits only that an Official Form 309A appears to have been filed which speak for itself in response to the allegations contained in paragraph 14 of the Complaint.

15. Jay Entertainment admits only that the Court has issued an Order denying the motion to dismiss.

IV. SPECIFIC FACTUAL ALLEGATIONS

16. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 16 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

17. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 17 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

The Pre-Funding Call

18. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 18 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

The Agreement

19. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 19 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

20. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 20 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

21. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 21 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

22. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 22 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

23. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 23 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

24. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 24 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

25. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 25 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

Debtor's Immediate Breach

26. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 26 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

27. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 27 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

28. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 28 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

29. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 29 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

30. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 30 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

31. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 31 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

32. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 32 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

33. Jay Entertainment admits only that Japas 38 no longer operated a business at 9 E. 38th Street, New York, New York. As to the remainder of the allegations, has no knowledge to admit or deny the allegations contained in paragraph 33 of the Complaint and leaves Plaintiff to its proof.

34. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 34 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

35. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 35 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

36. Jay Entertainment admits the allegations contained in paragraph 36 of the Complaint. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

37. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 37 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

38. Jay Entertainment denies the allegations contained in paragraph 38 of the Complaint. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

39. Jay Entertainment admits only that it is a corporation authorized to do business in New York and that it opened a restaurant and holds a liquor license. The remainder of the allegations in paragraph 39 of the Complaint are denied.

40. Jay Entertainment admits only that it has an online presence and it is a resultant that has karaoke. The remainder of the allegations in paragraph 40 of the Complaint.

41. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 37 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

42. Jay Entertainment denies the allegations contained in paragraph 42 of the Complaint.

PLAINTIFF'S CAUSES OF ACTION AGAINST DEFENDANTS

COUNT I

(Nondischargeability of Debt Pursuant to 11 U.S.C. § 523(a)(2)(A) False Pretenses, False Representations, Actual Fraud)

43. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 42 of the Complaint as if fully set forth herein.

44. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 44 of the Complaint.

45. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 45 of the Complaint.

46. This paragraph contains a legal conclusion which does not require a response. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 46 of the Complaint.

47. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 47 of the Complaint.

48. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 48 of the Complaint.

49. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 49 of the Complaint.

50. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 50 of the Complaint.

51. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 51 of the Complaint.

52. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 52 of the Complaint.

53. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 53 of the Complaint.

COUNT II
(Nondischargeability of Debt Pursuant to 11 U.S.C. § 523(a)(2)(B)
Materially False Statement with Intent to Deceive)

54. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 53 of the Complaint as if fully set forth herein.

55. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 55 of the Complaint.

56. This paragraph this contains a legal conclusions which does not require a response. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 56 of the Complaint.

57. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 57 of the Complaint.

58. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 58 of the Complaint.

59. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 59 of the Complaint.

60. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 60 of the Complaint.

61. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 61 of the Complaint.

62. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 62 of the Complaint.

63. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 63 of the Complaint.

64. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 64 of the Complaint.

65. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 65 of the Complaint.

COUNT III

**(Non-dischargeability of Debt Pursuant to 11 U.S.C. § 523(a)(4)
Fraud or Defalcation While Acting in a Fiduciary Capacity, Embezzlement, or Larceny)**

66. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 65 of the Complaint as if fully set forth herein.

67. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 67 of the Complaint.

68. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 68 of the Complaint.

69. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 69 of the Complaint.

70. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 70 of the Complaint.

71. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 71 of the Complaint.

72. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 72 of the Complaint.

73. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 73 of the Complaint.

74. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 74 of the Complaint.

75. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 75 of the Complaint.

76. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 76 of the Complaint.

77. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 77 of the Complaint.

78. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 78 of the Complaint.

COUNT IV
(Non-dischargeability of Debt Pursuant to 11 U.S.C. § 523(a)(6)
Willful and Malicious Injury by the Debtor)

79. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 78 of the Complaint as if fully set forth herein.

80. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 80 of the Complaint.

81. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 81 of the Complaint.

82. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 82 of the Complaint.

83. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 83 of the Complaint.

84. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 84 of the Complaint.

85. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 85 of the Complaint.

86. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 86 of the Complaint.

87. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 87 of the Complaint.

COUNT V
(Conversion Against Debtor, Japas 38, Japas NY, and Defendant John Doe)

88. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 87 of the Complaint as if fully set forth herein.

89. Jay Entertainment denies the allegations contained in paragraph 89 of the Complaint.

90. Jay Entertainment denies the allegations contained in paragraph 90 of the Complaint.

91. Jay Entertainment denies the allegations contained in paragraph 91 of the Complaint.

92. Jay Entertainment denies the allegations contained in paragraph 92 of the Complaint.

93. Jay Entertainment denies the allegations contained in paragraph 93 of the Complaint.

94. Jay Entertainment denies the allegations contained in paragraph 94 of the Complaint.

COUNT VI
(Fraud Against Debtor and Japas 38)

95. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 94 of the Complaint as if fully set forth herein.

96. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 96 of the Complaint.

97. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 97 of the Complaint.

98. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 98 of the Complaint.

99. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 99 of the Complaint.

100. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 100 of the Complaint.

101. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 101 of the Complaint.

102. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 102 of the Complaint.

103. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 103 of the Complaint.

104. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 104 of the Complaint.

105. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 105 of the Complaint.

106. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 106 of the Complaint.

107. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 107 of the Complaint.

108. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 108 of the Complaint.

109. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 109 of the Complaint.

110. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 110 of the Complaint.

COUNT VII
(Fraudulent Transfer Against Debtor, Japas 38, Japas NY, and Defendant John Doe)

111. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 110 of the Complaint as if fully set forth herein.

112. Jay Entertainment denies the allegations contained in paragraph 112 of the Complaint.

113. This paragraph improperly contains a legal conclusion for which a response is not required. To the extent that any factual allegations are deride at Jay Entertainment in paragraph 113 of the Complaint, those allegations are denied.

114. Jay Entertainment denies the allegations contained in paragraph 114 of the Complaint.

115. Jay Entertainment denies the allegations contained in paragraph 115 of the Complaint.

COUNT VIII
(Successor Liability against Japas NY)

116. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 115 of the Complaint as if fully set forth herein.

117. Jay Entertainment denies the allegations contained in paragraph 117 of the Complaint.

118. Jay Entertainment admits only that Japas 38 was a prior tenant in a space that it leased. The remainder of the allegations in paragraph 118 of the Complaint are denied.

119. Jay Entertainment admits only that it leases space that was previously leased by Japas 38. The remainder of the allegations in paragraph 119 of the Complaint are denied.

120. Jay Entertainment denies the allegations contained in paragraph 120 of the Complaint.

121. Jay Entertainment denies the allegations contained in paragraph 121 of the Complaint.

122. Jay Entertainment denies the allegations contained in paragraph 122 of the Complaint.

123. Jay Entertainment denies the allegations contained in paragraph 123 of the Complaint.

WHEREFORE, Jay Entertainment demands Judgment against MTK 38, Inc. and In Sook Sterling for compensatory damages, consequential damages, attorney's fees, costs of suit, and/or any such other relief as the Court may deem just and proper.

GENERAL DENIAL

To the extent that any paragraph or factual allegations are found to be not responded to above, that paragraph and/or the factual allegations are denied.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSES

Plaintiff's Complaint fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSES

Plaintiff's Complaint fails to plead full with particularity any basis for any liability as to Jay Entertainment.

THIRD SEPARATE DEFENSE

The UCC filed by Plaintiff did not provide sufficient notice to Jay Entertainment and did not list collateral with any level of specificity.

FOURTH SEPARATE DEFENSE

The Complaint is barred pursuant to the Doctrines of Estoppel, Laches and Waiver.

FIFTH SEPARATE DEFENSE

The damage alleged was caused by another party and/or intervening party.

SIXTH SEPARATE DEFENSE

There was no privity of contract between Plaintiff and Jay Entertainment since the contract at issue in this case was between Plaintiff and another party.

SEVENTH SEPARATE DEFENSE

Jay Entertainment owed no duty to Plaintiff whether arising from contract, common law, statute, tort or otherwise.

EIGHTH SEPARATE DEFENSE

Plaintiff did not reasonably rely upon any representations and/or failed to do its due diligence

NINTH SEPARATE DEFENSE

Jay Entertainment did not receive any funds from Plaintiff.

TENTH SEPARATE DEFENSE

The claims are barred in whole or in part pursuant to the Doctrine of Unclean Hands and *In Pari Delicto*.

RESERVATION OF RIGHTS

The Complaint contains vague allegations against Defendant, Jay Entertainment Corp. To the extent that any affirmative defenses are not asserted herein, Jay Entertainment Corp. reserves the right to assert such affirmative defenses as discovery continues.

ANSWER TO ALL CROSS-CLAIMS

This Defendant, Jay Entertainment Corp., denies each and every allegation of any Cross-Claim which may be asserted against it by any party in this litigation.

**CROSSCLAIMS AGAINST DEFENDANTS,
IN SOOK STERLING AND MTK 38, INC.**

JURISDICTION

1. Subject matter jurisdiction is conferred upon this Court pursuant to FRCP 13 since these cross-claims arise out of the transaction or occurrence that is the subject matter of the original action

FACTS COMMON TO ALL COUNTS

2. On April 8, 2019, Strategic Funding Source, Inc. filed a Complaint in the within adversarial proceeding against In Sook Sterling, MTK 38, Inc. and Jay Entertainment Corp.

3. Plaintiff alleges that In Sook Sterling and MTK 38, Inc. improperly took a loan from Strategic Funding Source, Inc.

4. Jay Entertainment merely leased the Space after MTK 38, Inc. left the space. Pursuant to the Surrender Notice, any items left by MTK 38, Inc. were considered "abandoned."

5. Jay Entertainment is completely separate from MTK 38, Inc. and In Sook Sterling is not a shareholder of Jay Entertainment.

6. Jay Entertainment did not receive any funds from Plaintiff.

7. Upon information and belief, all the funds from Plaintiff were received by In Sook Sterling.

8. Without admitting liability in any way whatsoever, in the event that Plaintiff recovers against Jay Entertainment, Jay Entertainment would be entitled to common law contribution and indemnification from MTK 38, Inc. and In Sook Sterling.

9. Without admitting liability in any way whatsoever, in the event that Plaintiff recovers against Jay Entertainment, MTK 38, Inc. and In Sook Sterling would be unjustly enriched.

FIRST COUNT
(Common Law Defense and Indemnification)

10. Jay Entertainment repeats and realleges the allegations contained in the above counts of the Cross-Claims as if set forth fully herein.

11. Without admitting liability in any way whatsoever, in the event that Plaintiff recovers against Jay Entertainment herein, its liability would be merely constructive, technical, imputed, secondary or vicarious and under such circumstances, Jay Entertainment would be entitled to indemnification from MTK 38, Inc. and In Sook Sterling.

12. Without admitting liability in any way whatsoever, in the event that Plaintiff recovers against Jay Entertainment, it must receive contribution from MTK 38, Inc. and In Sook Sterling.

WHEREFORE, Jay Entertainment demands Judgment against MTK 38, Inc. and In Sook Sterling for compensatory damages, consequential damages, attorney's fees, costs of suit, and/or any such other relief as the Court may deem just and proper.

SECOND COUNT
(Unjust Enrichment)

13. Jay Entertainment repeats and realleges the allegations contained in the above counts of the Cross-Claims as if set forth fully herein.

14. Plaintiff alleges that In Sook Sterling and MTK 38, Inc. improperly took a loan from Strategic Funding Source, Inc.

15. Jay Entertainment did not receive any funds from Plaintiff.

16. Jay Entertainment did not receive any physical or personal property from In Sook Sterling and MTK 38, Inc. that was purchased with Plaintiff's funds nor was any physical or personal property subject to any enforceable lien held by Plaintiff.

17. Without admitting liability in any way whatsoever, in the event that Plaintiff recovers against this defendant herein, In Sook Sterling and MTK 38, Inc. would be unjustly enriched.

18. As a direct and proximate result of the foregoing unjust enrichment, Jay Entertainment has been and will continue to be damaged.

WHEREFORE, Jay Entertainment demands Judgment against In Sook Sterling and MTK 38, Inc. for compensatory damages, consequential damages, attorney's fees, costs of suit, and/or any such other relief as the Court may deem just and proper.

Dated: September 18, 2019

ARCHER & GREINER, P.C.
Attorneys for Defendant,
Jay Entertainment Corp.

By /s/ Michael S. Horn
Michael S. Horn
630 Third Avenue, 7th Floor
New York, NY 10017-6941
Phone: (212) 682-4940
mhorn@archerlaw.com

**UNITED STATES BANKRUPTCY COURT
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Debtor.

Chapter 7

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Adversary Pro. No. 19-01111-SCC

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Defendant, Jay Entertainment Corp. ("Jay Entertainment"), by way of Answer to the Complaint of Plaintiff, Strategic Funding Source, Inc. ("Plaintiff"), filed herein says:

I. JURISDICTION AND VENUE

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10. Jay Entertainment admits only that it is a New York corporation with a place of business at 9 East 38th Street, New York New York in response to the allegations set forth in paragraph 10.

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III. GENERAL ALLEGATIONS

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28. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 28 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

29. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 29 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

30. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 30 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

31. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 31 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

32. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 32 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

33. Jay Entertainment admits only that Japas 38 no longer operated a business at 9 E. 38th Street, New York, New York. As to the remainder of the allegations, has no knowledge to admit or deny the allegations contained in paragraph 33 of the Complaint and leaves Plaintiff to its proof.

34. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 34 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

35. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 35 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

36. Jay Entertainment admits the allegations contained in paragraph 36 of the Complaint. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

37. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 37 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

38. Jay Entertainment denies the allegations contained in paragraph 38 of the Complaint. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

39. Jay Entertainment admits only that it is a corporation authorized to do business in New York and that it opened a restaurant and holds a liquor license. The remainder of the allegations in paragraph 39 of the Complaint are denied.

40. Jay Entertainment admits only that it has an online presence and it is a resultant that has karaoke. The remainder of the allegations in paragraph 40 of the Complaint.

41. Jay Entertainment has no knowledge to admit or deny the allegations contained in paragraph 37 of the Complaint and leaves Plaintiff to its proof. To the extent that this paragraph alleges any conduct of Jay Entertainment, those allegations are denied.

42. Jay Entertainment denies the allegations contained in paragraph 42 of the Complaint.

PLAINTIFF'S CAUSES OF ACTION AGAINST DEFENDANTS

COUNT I

(Nondischargeability of Debt Pursuant to 11 U.S.C. § 523(a)(2)(A) False Pretenses, False Representations, Actual Fraud)

43. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 42 of the Complaint as if fully set forth herein.

44. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 44 of the Complaint.

45. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 45 of the Complaint.

46. This paragraph contains a legal conclusion which does not require a response. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 46 of the Complaint.

47. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 47 of the Complaint.

48. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 48 of the Complaint.

49. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 49 of the Complaint.

50. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 50 of the Complaint.

51. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 51 of the Complaint.

52. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 52 of the Complaint.

53. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 53 of the Complaint.

COUNT II
(Nondischargeability of Debt Pursuant to 11 U.S.C. § 523(a)(2)(B)
Materially False Statement with Intent to Deceive)

54. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 53 of the Complaint as if fully set forth herein.

55. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 55 of the Complaint.

56. This paragraph this contains a legal conclusions which does not require a response. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 56 of the Complaint.

57. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 57 of the Complaint.

58. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 58 of the Complaint.

59. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 59 of the Complaint.

60. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 60 of the Complaint.

61. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 61 of the Complaint.

62. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 62 of the Complaint.

63. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 63 of the Complaint.

64. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 64 of the Complaint.

65. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 65 of the Complaint.

COUNT III

**(Non-dischargeability of Debt Pursuant to 11 U.S.C. § 523(a)(4)
Fraud or Defalcation While Acting in a Fiduciary Capacity, Embezzlement, or Larceny)**

66. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 65 of the Complaint as if fully set forth herein.

67. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 67 of the Complaint.

68. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 68 of the Complaint.

69. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 69 of the Complaint.

70. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 70 of the Complaint.

71. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 71 of the Complaint.

72. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 72 of the Complaint.

73. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 73 of the Complaint.

74. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 74 of the Complaint.

75. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 75 of the Complaint.

76. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 76 of the Complaint.

77. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 77 of the Complaint.

78. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 78 of the Complaint.

COUNT IV
(Non-dischargeability of Debt Pursuant to 11 U.S.C. § 523(a)(6)
Willful and Malicious Injury by the Debtor)

79. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 78 of the Complaint as if fully set forth herein.

80. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 80 of the Complaint.

81. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 81 of the Complaint.

82. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 82 of the Complaint.

83. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 83 of the Complaint.

84. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 84 of the Complaint.

85. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 85 of the Complaint.

86. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 86 of the Complaint.

87. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 87 of the Complaint.

COUNT V

(Conversion Against Debtor, Japas 38, Japas NY, and Defendant John Doe)

88. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 87 of the Complaint as if fully set forth herein.

89. Jay Entertainment denies the allegations contained in paragraph 89 of the Complaint.

90. Jay Entertainment denies the allegations contained in paragraph 90 of the Complaint.

91. Jay Entertainment denies the allegations contained in paragraph 91 of the Complaint.

92. Jay Entertainment denies the allegations contained in paragraph 92 of the Complaint.

93. Jay Entertainment denies the allegations contained in paragraph 93 of the Complaint.

94. Jay Entertainment denies the allegations contained in paragraph 94 of the Complaint.

COUNT VI

(Fraud Against Debtor and Japas 38)

95. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 94 of the Complaint as if fully set forth herein.

96. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 96 of the Complaint.

97. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 97 of the Complaint.

98. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 98 of the Complaint.

99. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 99 of the Complaint.

100. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 100 of the Complaint.

101. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 101 of the Complaint.

102. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 102 of the Complaint.

103. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 103 of the Complaint.

104. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 104 of the Complaint.

105. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 105 of the Complaint.

106. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 106 of the Complaint.

107. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 107 of the Complaint.

108. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 108 of the Complaint.

109. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 109 of the Complaint.

110. This paragraph is not directed at Jay Entertainment and therefore a response is not necessary. However, to the extent that this paragraph is directed at Jay Entertainment, it denies the allegations contained in paragraph 110 of the Complaint.

COUNT VII
(Fraudulent Transfer Against Debtor, Japas 38, Japas NY, and Defendant John Doe)

111. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 110 of the Complaint as if fully set forth herein.

112. Jay Entertainment denies the allegations contained in paragraph 112 of the Complaint.

113. This paragraph improperly contains a legal conclusion for which a response is not required. To the extent that any factual allegations are deride at Jay Entertainment in paragraph 113 of the Complaint, those allegations are denied.

114. Jay Entertainment denies the allegations contained in paragraph 114 of the Complaint.

115. Jay Entertainment denies the allegations contained in paragraph 115 of the Complaint.

COUNT VIII
(Successor Liability against Japas NY)

116. Jay Entertainment repeats and repeats and reaffirms its answers to the allegations contained in paragraphs 1 through 115 of the Complaint as if fully set forth herein.

117. Jay Entertainment denies the allegations contained in paragraph 117 of the Complaint.

118. Jay Entertainment admits only that Japas 38 was a prior tenant in a space that it leased. The remainder of the allegations in paragraph 118 of the Complaint are denied.

119. Jay Entertainment admits only that it leases space that was previously leased by Japas 38. The remainder of the allegations in paragraph 119 of the Complaint are denied.

120. Jay Entertainment denies the allegations contained in paragraph 120 of the Complaint.

121. Jay Entertainment denies the allegations contained in paragraph 121 of the Complaint.

122. Jay Entertainment denies the allegations contained in paragraph 122 of the Complaint.

123. Jay Entertainment denies the allegations contained in paragraph 123 of the Complaint.

WHEREFORE, Jay Entertainment demands Judgment against MTK 38, Inc. and In Sook Sterling for compensatory damages, consequential damages, attorney's fees, costs of suit, and/or any such other relief as the Court may deem just and proper.

GENERAL DENIAL

To the extent that any paragraph or factual allegations are found to be not responded to above, that paragraph and/or the factual allegations are denied.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSES

Plaintiff's Complaint fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSES

Plaintiff's Complaint fails to plead full with particularity any basis for any liability as to Jay Entertainment.

THIRD SEPARATE DEFENSE

The UCC filed by Plaintiff did not provide sufficient notice to Jay Entertainment and did not list collateral with any level of specificity.

FOURTH SEPARATE DEFENSE

The Complaint is barred pursuant to the Doctrines of Estoppel, Laches and Waiver.

FIFTH SEPARATE DEFENSE

The damage alleged was caused by another party and/or intervening party.

SIXTH SEPARATE DEFENSE

There was no privity of contract between Plaintiff and Jay Entertainment since the contract at issue in this case was between Plaintiff and another party.

SEVENTH SEPARATE DEFENSE

Jay Entertainment owed no duty to Plaintiff whether arising from contract, common law, statute, tort or otherwise.

EIGHTH SEPARATE DEFENSE

Plaintiff did not reasonably rely upon any representations and/or failed to do its due diligence

NINTH SEPARATE DEFENSE

Jay Entertainment did not receive any funds from Plaintiff.

TENTH SEPARATE DEFENSE

The claims are barred in whole or in part pursuant to the Doctrine of Unclean Hands and *In Pari Delicto*.

RESERVATION OF RIGHTS

The Complaint contains vague allegations against Defendant, Jay Entertainment Corp. To the extent that any affirmative defenses are not asserted herein, Jay Entertainment Corp. reserves the right to assert such affirmative defenses as discovery continues.

ANSWER TO ALL CROSS-CLAIMS

This Defendant, Jay Entertainment Corp., denies each and every allegation of any Cross-Claim which may be asserted against it by any party in this litigation.

**CROSSCLAIMS AGAINST DEFENDANTS,
IN SOOK STERLING AND MTK 38, INC.**

JURISDICTION

1. Subject matter jurisdiction is conferred upon this Court pursuant to FRCP 13 since these cross-claims arise out of the transaction or occurrence that is the subject matter of the original action

FACTS COMMON TO ALL COUNTS

2. On April 8, 2019, Strategic Funding Source, Inc. filed a Complaint in the within adversarial proceeding against In Sook Sterling, MTK 38, Inc. and Jay Entertainment Corp.

3. Plaintiff alleges that In Sook Sterling and MTK 38, Inc. improperly took a loan from Strategic Funding Source, Inc.

4. Jay Entertainment merely leased the Space after MTK 38, Inc. left the space. Pursuant to the Surrender Notice, any items left by MTK 38, Inc. were considered "abandoned."

5. Jay Entertainment is completely separate from MTK 38, Inc. and In Sook Sterling is not a shareholder of Jay Entertainment.

6. Jay Entertainment did not receive any funds from Plaintiff.

7. Upon information and belief, all the funds from Plaintiff were received by In Sook Sterling.

8. Without admitting liability in any way whatsoever, in the event that Plaintiff recovers against Jay Entertainment, Jay Entertainment would be entitled to common law contribution and indemnification from MTK 38, Inc. and In Sook Sterling.

9. Without admitting liability in any way whatsoever, in the event that Plaintiff recovers against Jay Entertainment, MTK 38, Inc. and In Sook Sterling would be unjustly enriched.

FIRST COUNT
(Common Law Defense and Indemnification)

10. Jay Entertainment repeats and realleges the allegations contained in the above counts of the Cross-Claims as if set forth fully herein.

11. Without admitting liability in any way whatsoever, in the event that Plaintiff recovers against Jay Entertainment herein, its liability would be merely constructive, technical, imputed, secondary or vicarious and under such circumstances, Jay Entertainment would be entitled to indemnification from MTK 38, Inc. and In Sook Sterling.

12. Without admitting liability in any way whatsoever, in the event that Plaintiff recovers against Jay Entertainment, it must receive contribution from MTK 38, Inc. and In Sook Sterling.

WHEREFORE, Jay Entertainment demands Judgment against MTK 38, Inc. and In Sook Sterling for compensatory damages, consequential damages, attorney's fees, costs of suit, and/or any such other relief as the Court may deem just and proper.

SECOND COUNT
(Unjust Enrichment)

13. Jay Entertainment repeats and realleges the allegations contained in the above counts of the Cross-Claims as if set forth fully herein.

14. Plaintiff alleges that In Sook Sterling and MTK 38, Inc. improperly took a loan from Strategic Funding Source, Inc.

15. Jay Entertainment did not receive any funds from Plaintiff.

16. Jay Entertainment did not receive any physical or personal property from In Sook Sterling and MTK 38, Inc. that was purchased with Plaintiff's funds nor was any physical or personal property subject to any enforceable lien held by Plaintiff.

17. Without admitting liability in any way whatsoever, in the event that Plaintiff recovers against this defendant herein, In Sook Sterling and MTK 38, Inc. would be unjustly enriched.

18. As a direct and proximate result of the foregoing unjust enrichment, Jay Entertainment has been and will continue to be damaged.

WHEREFORE, Jay Entertainment demands Judgment against In Sook Sterling and MTK 38, Inc. for compensatory damages, consequential damages, attorney's fees, costs of suit, and/or any such other relief as the Court may deem just and proper.

Dated: September 18, 2019

ARCHER & GREINER, P.C.
Attorneys for Defendant,
Jay Entertainment Corp.

By /s/ Michael S. Horn
Michael S. Horn
630 Third Avenue, 7th Floor
New York, NY 10017-6941
Phone: (212) 682-4940
mhorn@archerlaw.com